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RUEHBJ/AMEMBASSY BEIJING 1574
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RUEHAK/AMEMBASSY ANKARA 2224
RHMFISS/DEPT OF ENERGY WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC
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SUBJECT: KAZAKHSTAN: AMBASSADOR RAISES ABS CASE WITH DEPUTY PRIME
MINISTER

REF: STATE 113967

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¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: In response to reftel, the Ambassador raised the issue of granting the American Bureau of Shipping (ABS) official status as a recognized ship classification organization in Kazakhstan with Deputy Prime Minister Yerbol Orynbayev on November ¶6. Orynbayev immediately ordered the Ministry of Transportation and Communications (MOTC) to look into the issue. On November 25, MOTC officials told Energy Officer that they approved the application from ABS and sent a draft decree to the Prime Minister on November 24 for his signature. The MOTC said it expects the Prime Minister to sign the decree by the end of this year. END SUMMARY.

BACKGROUND TO THE ABS CASE

¶3. (SBU) ABS is the only major ship classification society that the government of Kazakhstan has not recognized. The government has recognized competitors from the UK, France, Norway, and Russia, which has led to their increasing market share and an unlevel playing field for ABS. ABS has an office in Baku and a representative office in Almaty, but cannot expand operations in Kazakhstan without formal recognition.

¶4. (SBU) In May, the Executive Secretary at the Ministry of Transportation and Communications (MOTC), Zhenis Kassymbek, acknowledged receipt of ABS's application for recognition, and informed ABS that it would be complete within "one or two months." Since then, ABS was told informally that the company's application was still pending, but proceeding accordingly.

¶5. (SBU) On September 11, ABS received an email from Kasym Tlepov, Chairman of Maritime Transport at MOTC, stating that the "draft of the ABS Recognition has been approved by various state bodies and is now under consideration by the government. I cannot provide an estimated date of completion for Recognition." However, MOTC

informed ABS in October that the Ministry of Justice found a "small problem" with the application, but would not disclose specific details.

AMBASSADOR RAISES ABS ISSUE WITH DEPUTY PRIME MINISTER

¶16. (SBU) On November 6, the Ambassador briefly raised the issue with Deputy Prime Minister Orynbayev on the margins of an unrelated meeting. That day, he also sent a letter describing ABS' difficulties to register as an official recognized ship classification society in Kazakhstan, and requesting that the government look into the matter. On November 13, Kasym Tlepov, chief specialist of the Maritime Transportation Department at the MOTC, called Energy Officer to discuss the case. Tlepov said the Ministry received a tasking from Orynbayev with instructions to report on the status of ABS' application. He said that the Ministry was still reviewing the documentation, but did not anticipate any difficulties with ABS' request to become a recognized organization.

ENERGY OFFICER MEETS WITH MINISTRY OF TRANSPORTATION OFFICIALS

¶17. (SBU) On November 25, Kairiden Nurkenov, Head of Maritime Transportation at the MOTC, told Energy Officer that the Ministry endorsed ABS' application to become a recognized ship-classification organization and sent a draft decree to the Prime Minister on November 24 for his signature. Nurkenov acknowledged that the MOTC received ABS' request in May, but denied any delay in processing the application. He said the application was reviewed in accordance with standard business procedures, and that it took time to secure the approval of the Ministries of Energy and Mineral Resources, Economy and Budget Planning, Transportation and Communication, and Justice. Nurkenov asserted he expects the Prime Minister to sign

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the decree "within the next two or three weeks." (NOTE: Nurkenov added that he is looking forward to the visit of USTDA country manager Scott Greenip in December and would like to discuss the possibility of USTDA assistance in vessel tracking and training for shipping crews and captains. END NOTE).

ABS GRATEFUL FOR USG SUPPORT, BUT REMAINS SKEPTICAL

¶18. (SBU) When informed that the MOTC had forwarded a draft decree to the Office of the Prime Minister, ABS country representative Vasily Svistak was grateful for Embassy assistance. However, he told Energy Officer that the MOTC's Nurkenov reported by phone at the beginning of September that all government bodies approved a draft decree, which was sent to the Prime Minister for signature. When Svistak asked for a copy of the draft decree, Nurkenov declined to provide it. According to Svistak, Nurkenov responded by phone two weeks later that the Ministry of Justice had the document to approve ABS's application, and it had not yet been delivered to the Office of the Prime Minister. Svistak expressed his skepticism that the Prime Minister will sign the draft decree by the end of 2009, but he sincerely appreciated the Embassy's assistance.

¶19. (SBU) COMMENT: We have no reason to believe that ABS's application to become a Recognized Organization in Kazakhstan was sabotaged, sidetracked, or deliberately delayed. We will continue to monitor the issue and will keep EEB and ABS apprised as the paperwork makes its way through the government's bureaucracy. END COMMENT.

SPRATLEN